



**MINUTES OF SPECIAL JOINT MEETING OF THE
CITY COUNCIL/REDEVELOPMENT AGENCY
OF THE CITY OF HAYWARD
City Council Chambers
777 B Street, Hayward, CA 94541
Tuesday, September 6, 2005, 8:00 p.m.**

MEETING

The Special Joint City Council/Redevelopment Agency Meeting was called to order by Mayor/Chair Cooper at 8:00 p.m., followed by the Pledge of Allegiance led by Council/RA Member Jimenez. Mayor Cooper, on behalf of the entire Council, expressed concerns for the victims of Hurricane Katrina. She noted that the U.S. Conference of Mayors has requested a survey be completed to determine if cities can provide services that are so badly needed such as shelter. She urged all concerned, whether about family members or desiring to help, to contact the local American Red Cross.

ROLL CALL

Present: COUNCIL/RA MEMBERS Jimenez, Quirk, Halliday, Ward, Dowling,
Henson
MAYOR/CHAIR Cooper
Absent: COUNCIL/RA MEMBERS None

PRESENTATION: Business Recognition Award

The September Business Recognition Award was presented to Moss Precision. Since 1968, this family business has been a short run, job shop specializing in exacting materials machining and fabrication on a quick turn-around basis under the leadership of founder and President Nick Stefanac. The company employs nearly 100 people, many of whom are local residents. Moss Precision first located to Hayward in 1986 and last October, Moss purchased a 98,000 square foot building on Point Eden Way. Annual sales to the semi-conductor and aerospace industries average over ten million dollars.

The Business Recognition Award was presented to Moss Precision for investing in our community by purchasing another commercial building in Hayward; purchasing goods and services from local vendors; providing job opportunities to local residents; and contributing to the economic health of the City. Mr. Nick Stefanac, President and Founder of Moss Precision and his daughter, Katherine Stefanac, Director of Operations, accepted the award and thanked Council for this honor.

PUBLIC COMMENTS

Rich Essi, representing the administration and operations of the Hayward Zucchini Festival, spoke against the City's invoice for police services provided to that event. He also stated that he delivered materials to the Council related to the arts and crafts booths that appear in the Festival and expressed his opposition regarding the recent Local Agencies Committee meeting where Mayor Cooper suggested changing the venue of the Zucchini Festival. He also spoke regarding the past Arts and Crafts Fairs in the downtown and his relationship with the Downtown Association merchants. He stated that as long as he has been involved, he has donated over \$100,000 towards

the Hayward Zucchini Festival. In response to Mayor Cooper's clarification that the Festival was not on the Local Agencies Committee agenda, he commented on his favorable relationship with HARD for over twenty years.

John Kellam of San Leandro and President of the Board of Directors of the Zucchini Festival, listed the number of organizations that participate in the Festival, such as the East Bay SPCA, Hayward Friends of Animals, South Hayward Lions Club, Masonic for Girls, Boy Scouts, South Bay Lions Club, JFK Booster Club, sororities, and a number of non-profit organizations that raise funds for scholarships and provide benefits to Hayward residents.

Harry McMillan of San Lorenzo spoke in support of the Festival and described it as an important function of the Hayward community.

Sammy Tamez of San Lorenzo and also a Festival board member noted his affiliations with the non-profit organizations as he spoke in favor of the Hayward Zucchini Festival.

Paul Tamez of San Lorenzo submitted a card but did not speak.

Mayor Cooper clarified and informed those concerned that no discussion of doing away with the Zucchini Festival was held at the meeting of the Local Agencies and it was not on the agenda, but that it was discussed as part of the comments by the HARD General Manager. She indicated that as long as the Zucchini Festival Board desires, it can continue to operate.

Marian Kalm spoke on an email that she previously sent to the Council related to the Tiny Bubbles Carwash at 22235 Mission Boulevard. She explained the situation related to its operation and reported that it is directly behind her home on Montgomery Street. She stated that she has contacted authorities as well as the business owners regarding the noise and crime issues that have not been resolved. At times no operator is located on the property. This carwash has now become the favorite hangout for criminal elements, indicating that an unsolved crime still exists. She felt that the owners have violated their use permit and as the Block Captain is well aware of this problem that has impacted the neighbors, most of whom are senior citizens. She thanked the Council Members who responded and thanked Mayor Cooper for referring this to staff.

Council Member Quirk reported that he participates in an organization that is anticipating a sister city relationship with the Afghan city of Kabul that intends to directly help the people of Afghanistan. This formation committee meets the first Wednesday of the month at Centennial Hall. He also announced a fundraiser, the Afghan Widows Literacy Project, sponsored by the Afghan community that will be held on September 28th at the Kabul Afghan Restaurant located at Winton and Hesperian from 5:30 p.m. to 7:30 p.m. He invited all to participate and join the committee.

CONSENT

1. Approval of Minutes of the City Council Meeting of July 26, 2005

It was moved by Council Member Henson, seconded by Council Member Jimenez, and carried unanimously, to approve the minutes of the City Council Meeting of July 26, 2005.



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2. Adoption of Ordinance Amending Hayward Municipal Code Relating to Campaign Contribution and Expenditure Limits

Staff report submitted by City Clerk Reyes, dated July 26, 2005, was filed.

It was moved by Council Member Henson, seconded by Council Member Jimenez, and carried unanimously, to adopt the following:

Ordinance 05-07, "Ordinance Amending Chapter 2, Article 13 of the Hayward Municipal Code Relating to Campaign Contribution and Expenditure Limits"

3. Final Map Tract 7315 – DAS Homes Development, Inc. (Owners/Subdividers) - Approval of Final Map and Authorize the City Manager to Execute a Subdivision Agreement

Staff report submitted by Development Review Engineer Gaber, dated July 26, 2005, was filed.

It was moved by Council Member Henson, seconded by Council Member Jimenez, and carried unanimously, to adopt the following:

Resolution 05-104, "Resolution Approving the Final Map for Tract 7315 and Authorizing the City Manager to Execute a Subdivision Agreement and Other Necessary Documents"

4. Final Map Tract 7470 – Richmond American Homes of California, Inc. (Subdivider) - Approval of Final Map, Authorize the City Manager to Execute a Subdivision Agreement

Staff report submitted by Development Review Engineer Gaber, dated July 26, 2005, was filed.

It was moved by Council Member Henson, seconded by Council Member Jimenez, and carried unanimously, to adopt the following:

Resolution, 05-105, "Resolution Approving the Final Map for Tract 7470 and Authorizing the City Manager to Execute a Subdivision Agreement and Other Necessary Documents"

5. Resolution of Summary Vacation and Sale of a Portion of Huntwood Avenue

Staff report submitted by Acting Director of Public Works Bauman, dated July 26, 2005, was filed.

It was moved by Council Member Henson, seconded by Council Member Jimenez, and carried unanimously, to adopt the following:

Resolution, 05-106, "Resolution of Summary Vacation and Sale of a Portion of Huntwood Avenue"

6. Authorization to Amend Contract for Environmental Services and Appropriation of Funds

Staff report submitted by Redevelopment Director Bartlett, dated July 26, 2005, was filed.

It was moved by Council/RA Member Henson, seconded by Council/RA Member Jimenez, and carried unanimously, to adopt the following:

RA Resolution 05-19, "Resolution Authorizing the City Manager to Execute a Contract Amendment with ACC Environmental Consultants to Provide Environmental Services for the Cannery Area"

RA Resolution 05-20, "Resolution Amending Resolution No. RA 05-12, as Amended, the Redevelopment Agency Budget Resolution for Fiscal Year 2005-06, Relating to an Appropriation of Funds from the Redevelopment Agency Bond Proceeds Fund, Fund 454 to Provide Environmental Services for the Cannery Area"

HEARINGS

7. Zone Change No. PL-2005-0244 & Vesting Tentative Tract Map 7636/PL-2005-0245 –William Riddle (Applicant)/ Frank Chiu (Owner) – Request to Change the Zoning from Residential Single-Family District to Planned Development District and Subdivide Land to Accommodate 7 Detached Homes - The Project Location is 26746 through 26762 Gading Road

Staff report submitted by Associate Planner Pearson, dated July 26, 2005, was filed.

Associate Planner Pearson presented the report, noting that the owner is requesting the zone change from residential single-family district to planned development zoning district in order to accommodate the subdivision of the property into seven lots ranging in lots size from about 4,000 square feet to 5,800. There will be the removal of one unit to comply with the maximum density as required by the General Plan. He depicted the area, noting the two-bedroom homes are in relatively good condition with good sized rear yards in the Schafer Park neighborhood. Kitchens and bathrooms will be remodeled and the utilities will be under grounded with upgraded sewer and water infrastructure. He reported that existing tenants are being offered first right of refusal and the owner has offered funding to current tenants for relocation for his tenants.

Council Member Henson was troubled by the parking recommendation that is only requiring a one-



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car garage. His overriding concern was the impact of parking that would be sustained on the City's public streets. He asked staff to respond to his concerns for parking. He suggested perhaps a re-design to allow for internal parking in another area, but did express the need for open areas.

Associate Planner Pearson pointed out that each unit has a one-car garage and space for two cars on the side of each garage and thus opportunity for three autos to park. When staff was considering this, priority was given to the recreational area. For a multi-family project the parking recommendation exceeds the standard and within the range of design guidelines for small lot developments. The homes will be more attractive and in concurrence with the neighborhood plan. He also responded to Council Member Quirk's questions, reporting that the street is not wide enough to be called a public street and that the Council is the City's final authorization when zone changes are changed in relation to the General Plan.

Council Member Halliday felt that currently the homes are very plain looking. In response, Associate Planner Pearson reported that there will be new windows, new wood trimming, new front and garage doors and new paint. The porch columns would be more substantial and more attractive. He also responded that the property owner has reported that he proposes to find other places to rent, offered up to two months rent and flexibility in timing for re-location.

Council Member Ward was pleased that this particular proposal does create some opportunities for home ownership for Hayward residents and pleased that the City is seeking to establish its goals in home ownership. His main concern was that the homes be affordable to those currently renting and asked the anticipated pricing of these units. He asked the applicant to respond.

Bill Riddle stated that he is the architect for the project, but was not able to respond on the unit prices. He reported that throughout this process, additional conditions have been placed that will eventually impact the final price.

Frank Chiu, property owner, estimated the cost of each unit in the \$300,000 plus range. He stated that unanticipated costs for underground utilities, sewer and water line infrastructure could impact the cost of the units. In response to Council requests, he stated that he is researching the possibility of offering some type of financial assistance for the current tenants and indicated that two of the units are vacant, but needed to work with two other tenants.

Council Member Ward could not secure a commitment on the anticipated cost of each unit from the property owner who stated that he was not experienced in this area.

Mayor Cooper stated that in as much as the approximate cost might exceed \$350,000, this excludes affordability. If this is going to be the price, then the parking concerns should be addressed. The area is already impacted with overflow parking on public streets. She suggested tandem parking be considered.

Mayor Cooper opened the public hearing at 8:49 p.m.

Loretta Fontes, a fifteen year resident and tenant, addressed the Council and noted the vagueness of the property owner and that she has not received any information except from the City's public hearing notice. She stated that some questions have been answered during this public hearing, but asked particular questions related to the time frame for moving out. She did receive a letter and a call which was to inspect and measure the home. Other than that, the owners have not made any contact with her even though she has asked for answers from one of the property owners after the Planning Commission hearing was conducted. She was dismayed with the lack of communication. Lastly, she stated that she would not purchase one of these homes at this price.

Mayor Cooper closed the public hearing at 8:54 p.m.

Council Member Dowling was glad for the improvements and upgrades of a circa 1953 housing property. He asked the owner to sit with his tenants. He felt that the price seemed not unreasonable, noting current market prices. He asked that staff offer the first time buyer program to the current tenants. It was moved by Council Member Dowling, seconded by Council Member Halliday, to move the staff recommendation.

Council Member Quirk commented on the price of the units. He stated that price is determined by supply and demand and what buyers are willing to pay for homes. He asked staff to discuss the true rights of tenants when rental units are converted to homes. He also suggested the need for Council to have some future discussion on requiring developers to offer reduced prices or down payments for existing tenants in such situations. The conversions displace renters who cannot afford to purchase homes nor find rentals.

City Manager Armas stated that this is an unusual situation. He was not aware of any similar projects in recent Hayward history. Generally, this occurs in multi-unit complexes. Staff is interested in bringing forward to Council the City's existing condominium conversion ordinance, which is nearly twenty years old, that addresses tenant issues to determine whether those conditions are still applicable or warrant adjustments.

Council Member Halliday stated that in seconding the motion, she is supportive to upgrades and improvements on housing. This is a different type of project and was surprised when she visited the site. She shared Council Member Quirk's concern on the implications to tenants, but agreed with Council Member Dowling's suggestion that staff assist the tenants where possible. She felt that mitigations could be made to four to six families that would be impacted. She anticipated considering the current conversion ordinance in the near future when considering projects that could have a much greater impact.

Council Member Henson believes strongly in ownership housing, but his general concern was addressing the parking impacts. He agreed with Mayor Cooper's opposition to concrete slab for parking, but took the age of the development into consideration. In considering the property owner's suggested price per unit, he felt that the upgrading should be more improved than what has been proposed. In visiting the site, he suggested making the home entryways more attractive as well as improving the quality in the plain-look of the project. He preferred the developer provide on-site parking rather than street parking. Lastly, he would be supporting the



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motion, but hoped that the existing tenants receive first rights of refusal as well as an opportunity for purchasing the units. Council's main concern is displacement of tenants. Council Member Henson suggested several programs that are available for first time home buyers.

In response to Council Member Ward's questions, Mr. Chiu reported that he has owned the property for one year, purchased it with an option to convert and that he intends to fully landscape the site.

Council Member Jimenez appreciated the staff's efforts in making the conversion successful, but observed the number of conditions.

Mayor Cooper was dismayed that her colleagues seemed to appreciate and support this proposed conversion development as it does add to the City's goal of home ownership. In light of the estimated price, she felt that these two-bedroom homes should be torn down and replaced with new ones. She strongly opposed this project and was not pleased with the property owner's price in relation to what current tenants are paying. She was strongly supportive of current tenants and their concerns.

Council Member Quirk stated that his reason for supporting the project is that they will be starter homes with a price that the market drives. He felt that three or four larger homes could be built, but the price would probably double and would not provide opportunity for those who cannot afford them. He also expressed concern for the existing tenants and stated that he is most interested in hearing from tenants' rights groups before considering future conversions.

Mayor Cooper reiterated her concerns for the current tenants and urged Mr. Chiu to confer with them and respond to their issues.

Council Member Halliday responded to Mayor Cooper's comments, noting that the Planning Commission minutes reflect that these one-story small houses might be appealing and could be considered housing for senior citizens.

Council Member Henson agreed with Mayor Cooper and reiterated his issues with this project, but they are outweighed by his desire to see families get into the housing market and to meet the Council's goal for 70% homeownership.

Council Member Dowling described his recent purchase with no garage and no yard and agreed that the market has driven prices upward. He cautioned that the property owners could do nothing, continue to maintain them as rentals, but there would be no upgrades and less start up housing.

Council Member Ward appreciated comments by Mayor Cooper. He agreed with home

ownership goals with this project, but more improvements need to be shown. He asked staff for additional information regarding more enhancements and improvements on the outside and the infrastructure. Staff reiterated the internal improvements and noted the requirements for improvements were more with the exterior of the buildings. Council Member Ward asked the architect to better explain the improvements.

Mr. Riddle, the architect of the project, responded that there should be substantial trim around the building rearranging the façade of the buildings. There was dialogue related to the actual upgrades and details of how the outside of the structures would appear. Council Member Ward emphasized his concern that this should not be a mere conversion with insufficient aesthetical information. He indicated that he did not see the use of Council prerogative in this case if the applicant voluntarily agrees with the Council recommendation.

Mayor Cooper agreed with Council Member Ward's recommendation and reiterated her concerns with parking and suggested a covered garage with tandem parking be included in this recommendation.

City Manager Armas reported that there is insufficient land area to provide tandem parking as suggested by Mayor Cooper unless an additional building is removed. Mayor Cooper was willing to concur if this is recommended.

Council Member Ward asked that the motion include a condition that the property owner work with staff to return with new enhancements. He suggested the architect utilize his professional judgment to improve the project. The incentive and benefit for the owner is to prepare a better looking project and recommended that he return to the Council for a second look.

Discussion ensued and Council Member Dowling then withdrew his motion.

Council Member Ward offered a substitute motion that the applicant and his architect take additional time to work with City staff to improve substantially the exterior of the buildings and return with those enhancements. His motion was seconded by Council Member Henson.

Mr. Riddle, the architect of the project, felt that it was a matter of responding to staff conditions that pertained more to the exterior and infrastructure than to the actual exterior of the houses. He felt it was a matter of communication and substantial improvements will be made on the exteriors.

Mayor Cooper requested that City Attorney O'Toole respond to Council whether this is an acceptable and appropriate next step. He affirmed that Council has authority and could direct the property owner to provide additional information in order to consider the requested zone change.

City Manager Armas reaffirmed that this is similar to previous actions when projects have been sent back for redesign. The motion on the part of the Council is to request what is not evident in the material that was presented and if the applicant proposes to embellish the buildings it needs to be represented and this is a form of a redesign in order for Council to make its decision.



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Council Member Quirk concurred with his colleagues related to changes that could enhance the design, but hoped that Council was not asking for more than that.

Council Member Ward offered a substitute motion as follows: "that the applicant and his architect take additional time to work with the staff to improve substantially the exterior of the buildings and return with those enhancements. His motion was seconded by Council Member Henson.

The resolution and ordinance were not adopted nor introduced:

Resolution 05-___, "Resolution Approving the Negative Declaration, Zone Change Application No. PL 2005-0244, Precise Development Plan and Vesting Tentative Tract Map 7636/PL-2005-0245"

Intro Ordinance 05-_, "An Ordinance Amending the Zoning District Map of Chapter 10, Article 1 of the Hayward Municipal Code by Rezoning Certain Territory Located at 26746 through 26762 Gading Road Pursuant to Zone Change Application No. 2005-0244"

LEGISLATIVE BUSINESS

8. Adopt Ordinance Amending the Zoning District Map of Chapter 10, Article 1 of the Hayward Municipal Code by Rezoning Certain Territory Located at 19901, 20413, 20455 and 20499 Hesperian Boulevard Pursuant to Zone Change Application No. 2005-0223 (Target)

Staff report submitted by City Clerk Reyes, dated July 26, 2005, was filed.

City Clerk Reyes reported that this ordinance was introduced in Council's last July meeting and since it was not a unanimous vote, the action must be considered under Legislative Business.

Mayor Cooper opened and closed the opportunity for public input at 9:30 p.m.

As no changes have been made on the tenants for this proposed project since the hearing, Council Member Halliday indicated that she was not opposed to the Target project, but reiterated her concerns with the project related to her opposition to a potential junior anchor that could sell alcoholic beverages in an area that is so near Kennedy Park.

It was moved by Council Member Dowling, seconded by Council Member Ward, and carried to adopt this ordinance by the following roll call vote:

Ordinance 05-08, "An Ordinance Amending the Zoning District Map of Chapter 10, Article 1 of the Hayward Municipal Code by Rezoning Certain Territory Located at 19901, 20413, 20455, and 20499 Hesperian Boulevard Pursuant to Zone Change Application No. 2005-0223"

AYES: Council Members Jimenez, Quirk, Ward, Dowling,
Henson
MAYOR Cooper
NOES: Council Member Halliday
ABSENT: None
ABSTAINED: None

COUNCIL REPORTS

There were no Council Reports.

ADJOURNMENT

Mayor Cooper adjourned the meeting at 9:32 p.m.

APPROVED:

Roberta Cooper, Mayor, City of Hayward
Chair, Redevelopment Agency

ATTEST:

Angelina Reyes, City Clerk, City of Hayward
Secretary, Redevelopment Agency